

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

**COMMAND AUDIT OF
EMERGENCY OPERATIONS SECTION**



FINAL REPORT

AUGUST 28, 2009

M e m o r a n d u m

Date: August 28, 2009

To: Office of the Commissioner
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2008 COMMAND AUDIT REPORT OF EMERGENCY OPERATIONS
SECTION

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887 (a)(2), and the California Highway Patrol (CHP) Audit Charter, I am issuing the 2008 Command Audit Report of the Emergency Operations Section. The audit focused on the command's cash receipts, contracts, evidence, purchasing, reimbursable services contracts, advanced payments for predetermined services, personnel records, and strategic plan reporting.

The audit revealed the command has adequate operations. However, minor weaknesses were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Emergency Operations Section agreed with two findings and plans to take corrective action to improve its operations. The command disagreed with the third finding. Based on an evaluation of the response, the third finding has been removed. The command will be required to provide quarterly updates to the Office of Inspections on the progress of their corrective action plan implementation until the command has resolved all deficiencies. Additionally, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887 (a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Field; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; State Security Division; and the Emergency Operations Section. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq. Furthermore, in accordance with the Governor's Executive Order S-08-09 to increase government transparency, the final audit

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report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspections would like to thank Emergency Operations Section's management and staff for their cooperation during the audit. If you need further information, please contact Assistant Chief Ken Hill at (916) 843-3005.



M. C. A. SANTIAGO
Assistant Commissioner

cc: Office of the Assistant Commissioner, Field
Office of Legal Affairs
Office of Inspections
State Security Division
Emergency Operations Section

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

*COMMAND AUDIT OF
EMERGENCY OPERATIONS SECTION*

OFFICE OF INSPECTIONS, AUDITS UNIT

AUGUST 28, 2009

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2008 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of a command selected by each Division. State Security Division selected the Emergency Operations Section.

The CHP's 2008-2009 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations.

The audit scope period covered the twelve months prior to the start of the audit field work. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of January 1, 2008 through June 30, 2008.

Based on the review of the Emergency Operations Section's operations, this audit revealed it has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

Cash Receipts

- The command did not always submit weekly transmittal reports within the time frame as required by departmental policy.

Personnel Records

- Some of the command's field personnel files did not contain an updated employee photo as required by departmental policy.

Please refer to the Findings and Recommendations section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of a command selected by each Division. State Security Division selected the Emergency Operations Section.

The CHP's 2008-2009 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

OBJECTIVE AND SCOPE

The objective of the evaluation is to determine if the command has complied with operational policies and procedures that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was twelve months prior to the start of the audit field work. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the final six months of fiscal year 2007/08. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from November 10 - 20, 2008.

METHODOLOGY

Each Division commander selected one command to be audited regarding their cash receipts, contracts, evidence, purchasing, reimbursable service contracts, and advanced payments for predetermined services. Additionally, the Division commander could select any of the following topics: asset forfeiture, fleet operations, personnel records, and strategic plan reporting. The State Security Division commander selected personnel records and strategic plan reporting. When preparing for the audit, and due to limited auditing resources, reimbursable service contracts was reduced to an examination of the Driving Under the Influence (DUI) Cost Recovery Program and advanced payments for predetermined services was reduced to Wide Load Services. Also, the audit of evidence was limited to guns, drugs, and money. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command. Furthermore, the auditors reviewed prior audit reports and findings.

OVERVIEW

Cash Receipts: The command did not always submit weekly transmittal reports within the time frame as required by departmental policy.

Contracts: The command appears to process contracts according to departmental policy.

Evidence: The command does not maintain evidence.

Purchasing: The command appears to process purchases according to departmental policy.

Reimbursable Service Contracts: The command does not maintain reimbursable services contracts.

Advanced Payments for Predetermined Services: The command does not maintain advanced payments for predetermined services.

Personnel Records: Some of the command's field personnel files did not contain an updated employee photo as required by departmental policy.

Strategic Plan Reporting: The command appears to be compliant with its responsibilities.

This audit revealed the command has adequate operations; nevertheless, issues were discovered. These issues should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The findings and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

FINDINGS AND RECOMMENDATIONS

CASH RECEIPTS

FINDING 1: **The command did not always submit weekly transmittal reports within the time frame as required by departmental policy.**

Condition: During the audit period, the command was required to submit 25 weekly transmittals. All 25 weekly transmittal reports were reviewed; only 5 reports were not submitted within the time frame as required by departmental policy. Specifically, the 5 transmittals were all for zero dollars and respectively 11, 6, 1, 2, and 1 days late.

Criteria: Highway Patrol Manual (HPM) 11.1, Administrative Procedures Manual, Chapter 4, Miscellaneous Sales – Transmittal of Collections, paragraph 11.; 11.a.; 11.a.(1); 11.a.(2); 11.a.(3); 11.a.(4); 11.b.; and 11.c. states:

“11. TRANSMITTAL OF COLLECTIONS.

a. Frequency and Maximum Amounts. Collections for sales, payments, and/or witness fee deposits shall be transmitted to FMS, Cashiering Unit, at the first occurrence of any of the following:

(1) One thousand dollars (\$1,000) in cash.

(2) Ten thousand dollars (\$10,000) in cash, checks, money orders, and warrants (excluding state warrants and state checks).

(3) Close of business each Thursday. The weekly transmittal period for all offices begins on Friday and ends at close of business the following Thursday.

(4) If maximum amounts are collected before Thursday, a second transmittal shall be prepared for the remaining days.

b. Storage. Prior to transmittal, collections shall be retained in an envelope or a locked box which is then stored in a locked desk, file cabinet, or other device providing comparable safekeeping.

c. Negative Reporting Required. A transmittal bearing the notation “no collections” shall be sent to FMS, Cashiering Unit, each Friday if no sales were made during the weekly transmittal period.”

Recommendation: The command should comply with departmental policy by submitting all weekly transmittal reports on time.

PERSONNEL RECORDS

FINDING 1: Some of the command's field personnel files did not contain an updated employee photo as required by departmental policy.

Condition: The command is responsible for approximately 25 personnel files. A total of 10 personnel files were audited. Three of the 10 command personnel files reviewed did not contain a current employee photo as required by departmental policy. However, it was determined the command reviews their personnel files annually, maintains them well organized, and in a locked filing cabinet.

Criteria: HPM 10.3, Personnel Transactions Manual, Chapter 30, Personnel and Medical Files, paragraph 10.; 10.c.; 10.c.(1); 10.c.(2); 10.c.(2)(a); and 10.c.(2)(a)1 states:

"10. PERSONNEL FILE CONTENTS (DOES NOT INCLUDE MEDICAL FILES)."

c. CHP 137C, Field Personnel Annual Review (Uniformed).

(1) The CHP 137C, Field Personnel Annual Review (Uniformed), is a checklist for reviewing and updating the field folder documents at the time of the annual performance evaluation.

(2) Section A: Field Service Records (Uniformed).

(a) CHP 270, Service Record, shall be maintained on a current basis for all personnel and shall be reviewed annually when the performance appraisal is conducted. The annual review of the information shall be noted in the space provided on the CHP 270, Service Record, and/or the CHP 137C, Field Service Record (Uniformed).

1 Current photograph of employee: one affixed to the CHP 270, Service Record; one placed in a separate envelope within the folder. The photograph affixed to the CHP 270, Service Record, shall be replaced with an updated photograph every five years."

Recommendation: The command's personnel files should contain a current employee photo affixed to each file as required by departmental policy.

CONCLUSION

Based on the review of the command's operation, this audit revealed the command has adequate operations; however, some issues were observed. This report presents suggestions for management to improve on some aspects of its operations. In doing so, the command would operate in accordance with departmental policies and procedures.

ANNEX

A

M e m o r a n d u m

Date: July 27, 2009

To: Office of Inspections

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
State Security Division

File No.: 080.13693.082

Subject: EMERGENCY OPERATIONS SECTION'S RESPONSE TO THE 2008 DRAFT
COMMAND AUDIT

Attached is the Emergency Operations Section's response to the 2008 Draft Command Audit Report of the Section. If you have any questions, please contact Captain LD Maples of the Emergency Operations Section at (916) 843-3250.



D.S. MACGREGOR, Chief

Attachment

ANNEX

B

M e m o r a n d u m

Date: July 22, 2009

To: State Security Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Emergency Operations Section

File No.: 082.13693.

Subject: RESPONSE - 2008 DRAFT COMMAND AUDIT REPORT OF EMERGENCY
OPERATIONS SECTION

This memorandum is intended to serve as the written response to the draft audit report of the Emergency Operations Section (EOS), as required by the Office of Assistant Commissioner, Inspector General's memorandum dated July 7, 2009.

CASH RECEIPTS

FINDING 1: The command did not always submit weekly transmittal reports within the time frame as required by departmental policy. *AGREE*

Five transmittals were not submitted within the time frame specified by departmental policy. As discussed in the condition finding, these were all for zero dollar amounts. The Section does not maintain a cash account nor does the Section complete sales transactions. However, the corrective action taken was the implementation of a weekly suspense "item" for the command. The transmittal sheet, along with related instructions, comes out of the Section's weekly suspense file and "processed" for completion and transmittal to Fiscal Management Section.

PERSONNEL RECORDS

FINDING 1: Some of the command's field personnel files did not contain an updated employee photo as required by departmental policy. *AGREE*

Three of the ten field folders reviewed did not contain updated employee photos. The corrective action taken was to advise supervisors to check photos as part of the 118 completions for the year and compile a list of personnel whose photos need to be updated. The intent is to schedule pictures to be taken at one time.

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STRATEGIC PLAN

FINDING 1: The command did not conduct required emergency exercise drills. **DISAGREE**

1

The 2008 Draft Command Audit Report states, as a condition:

“The command did not conduct a minimum of two emergency exercise (**fire**) drills per year as required by the CHP 2008-2009 Strategic Plan through calendar year 2008.”

The 2008-2009 Strategic Plan Strategy #5, *Maintain high levels of emergency preparedness and effectively utilize the Incident Command System (ICS)*, included the performance measure of “Conduct a minimum of two emergency exercise drills per year, through 2009.” This is the exact language contained in the plan; it does not include the term “fire” drills, which was added to the condition finding. In fact, the 2008-2009 strategic plan does not include any reference to or even the terms “fire” or “evacuation drill.” Further, the plan does not reference Highway Patrol Manual (HPM) 50.1, Emergency Incident Management Planning and Operations Manual as a supporting document or criterion. Therefore, HPM 50.1 or language taken from it should not have been used as a criterion for assessing compliance with the Strategic Plan. Even if the language was intended to be used as some form of reference, HPM 50.1 does not require two evacuation drills; the language—as included in the audit report—states, “Evacuation drills should be performed annually at each facility.”

If the scope of the audit was to indeed assess compliance with the 2008-2009 Strategic Plan, and not to assess whether an evacuation drill **should** be conducted as recommended by HPM 50.1, the Emergency Operations Section (EOS) was in compliance with the Strategic Plan. The command participated in the following emergency drills during the 2008 calendar year:

- On March 12, 2008, EOS, Emergency Notification and Tactical Alert Center participated in the nationwide “Cyber Storm,” terrorist cyber attack, emergency exercise.
- From November 13-14, 2008, the command participated in the annual Golden Guardian Homeland Security exercise (Note: Although participation in the exercise occurred during the audit field work, it still occurred within the 2008 calendar year). Additionally, EOS coordinated every field Divisions’ involvement in the statewide exercise.

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Should there be any questions regarding this memorandum, please contact me at (916) 843-3251.

A handwritten signature in blue ink, appearing to read 'L. M. MAPLES', with a stylized flourish extending to the right.

L. M. MAPLES, Captain
Commander

Attachments

ANNEX

C

AUDITOR'S COMMENT

To provide clarity and perspective, the number in the margin below correspond to the number placed in the Emergency Operations Section's response.

After reviewing the audit work papers and the Emergency Operations Section's response, it appears the Office of Inspection took a narrow interpretation while the Emergency Operations Section took a departmental interpretation of the Department's Strategic Plan. Since the intent of the audit topic was to measure the command's compliance to the departmental strategic plan, the auditee's response has merit. Therefore, the Office of Inspections removed the finding.

1